Agenda
Meeting N.E.W.-project
Time: January 25, 2005 (09:30-)
Venue: UIC Main Office, Rue Jean Rey, Paris France

1. Opening and general information (Sharma)
2. The role of UIC and project goal (Sharma)
3. The UIC-N.E.W. Corridor – General overview and concept (Nerdal)
4. The role of US – support (Krohn)
5. N.E.W. – status and next steps (Nerdal)
6. US Industry perspective (Gernon)
7. Introduction CRCTC (Guo)
8. Discussions (all)

Wal Mart, Sears, GE etc might be connected through phone.

www.uic.asso.fr www.transportutvikling.no
Paris, January 25, 2005
N.E.W.

Overview of a transportation concept
Narvik-Boston: 6,600 km. Narvik-Urumqui: 6,800 km.
Urumqui-Shenshen: 4,829 km. Urumqui-Qingdao: 4,033 km.
LA-Boston: 5,132 km.
LA-Qindao: 10,600 km.
Boston - Panama - Qindao: 19,911 km.
Boston- Panama - Urumqi: 24,049 km.
Boston – Hong Kong - Urumqui: 26,022 km.

TRANS ATLANTIC
ASIA-EUROPE
TRANS PACIFIC

MAIN WORLD TRADE LANES
TRADITIONAL SCHOOL-MAP
(OK, IF THE EARTH IS LIKE A PAN CAKE)
UNTRADITIONAL (LOGISTICAL) MAP (WHEN THE EARTH IS A GLOBE)
EURASIAN LAND BRIDGE ALTERNATIVES (rail)

Norway (1)

North-West Russia (2)

Baltic (several ports)

Black Sea (1-2)

European Continent (several ports)
Northern Europe Connection to TSR > Not congested

European Continent Connection to TSR > Congested
NARROW
CONGESTED
ENVIRONMENTAL CONCERNS
ICE-PROBLEMS
RED-TAPE
VERY CONGESTED
BALTIC CONNECTIONS
N.E.W. Corridor’s initial focus and idea (1997):

AVOIDING DEVIATION COSTS FOR THE BARENTS REGION AND NORDKALOTTEN

THE CURRENT ROUTING IS NORTH-SOUTH, -EVEN WHEN THE MARKETS ARE WEST AND/OR EAST OF THIS REGION
The extended N.E.W. Corridor (2001)

SYNERGY BETWEEN THE TRADE IN THE BARENTS AREA AND THE TRADE ASIA, RUSSIA AND NORTH AMERICAN EAST COAST
The N.E.W. corridor is an intermodal transportation concept - it is not a single route.

- Shorter distance
- Avoids congestion
- Better security
- Development corridor
- Need alternatives
- Environment
- Ineffective east-west transports

Transportutvikling AS – Dec. 2004
Transport distance is favourable, which may lead to time savings and reduced variable costs for the operators.
A global trading route
La route du commerce mondial
THE WORLD IS CHANGING

TRANSPORT GROWTH AND CONGESTION
LAND BRIDGE AND BORDERCROSSINGS
RISK AND SECURITY
DEVELOPMENT CORRIDORS
ENVIRONMENT
Congestion

*N.E.W. can offer something better:*

- Congestion is one of the world's major challenges
- N.E.W. operates in the less congested areas of Europe
- We have to enhance capacity.
- It is cheaper to do it in a region where we do not need to move people and infrastructure
Border crossings

*N.E.W. can offer something better:*

- A border crossing (by rail) between some of the European countries may take days

- The European section of the N.E.W. corridor:
  - Norway-Sweden: 0 hours
  - Sweden-Finland: 1.0-3.0 hours
  - Finland-Russia: 0 hours (if well organized)
2-3 day’s?

?-21 dager
(or 20 hour’s)
Security

N.E.W. can offer something better:

- *The world changes after Sept. 11.2001*

- *There is a stronger demand for global security*

- *The market need back-up corridors when major corridors fails.*
Political, economical and terrorism risk
N.E.W.

- An intermodal transportation concept
- More than the Eurasian Land Bridge
- Includes the sea leg between Northern Europe and North America
US port's

Canadian ports

Destination | N.miles | Day's
---|---|---
Reykjavik | 1 096 | 2,5
New Foundland | 2 545 | 5,9
Halifax | 3 121 | 7,2
Boston | 3 958 | 9,2
New York | 3 766 | 8,7
Philadelphia | 3 911 | 9,1

Speed: 18 knot's
Origin: Narvik, Norway

Rail connections:
Railway transport
N.E.W.-corridor

Transsiberian

Archangel route

Via Kazakhstan

GAUGE CHANGE Russia-China

GAUGE CHANGE Kazakhstan-China

©Transportutvikling AS
....and poverty
Railway transport N.E.W.:

POTENTIAL TRANSPORT TIMES

- Archangel: 1.5 days
- Ürümqui: 7 days !!
- Nakhodka/Vostochny: 10-11 days
- Narvik: 0
N.E.W.

Status, challenges and progress
Status N.E.W.

- During a few years of project work we have:
  - Developed a business model
  - Solved many of the main challenges
  - Promoted the conceptual idea on a global basis
  - Build a commercial network

- The work will continue

- The objective is a demonstration run in 2005
  - Prove viability

- An objective is to organize a single entity for the N.E.W. corridor
  - The work has commenced
  - This “company” intends to organize the demonstration run
Short term challenges N.E.W.

- **Land section – product specification**
  - Border crossing China-Kazakhstan
  - Price level – balanced flow
  - Capacity at the Narvik terminal

- **Sea section**
  - Identify a willing ocean carrier

- **Organizing**
  - Give the customer a face

- **Cargo commitment – base freight**
Progress N.E.W.

UIC EXECUTIVE PROJECT OFFICE (EPO)

N.E.W. “COMPANY” – “ORGANIZER”

DEMONSTRATION RUN

COMMERCIAL OPERATION

2004

Paris meeting(s)

2005

US meeting(s)

2006

www.uic.asso.fr

www.transportutvikling.no
N.E.W. Company structure

N.E.W. HOLDING

N.E.W. RAIL

N.E.W. OCEAN

Shareholders
Demonstration run

- Prove viability (2005)
- Intermodal (sea transport + rail transport)
- Duration 3-6 months (depending on market)
- Organized by the N.E.W. company
- Acceptable product specification
- Acceptable commercial terms
  - Cargo
  - Governmental grants (reduce commercial risk)
  - Non-profit
- We need some cargo commitment
Sir

I am a Technical Officer at the WCO with responsibilities for transit systems.

I have seen the emails between you and our organization concerning the above pilot project. I understand that my Deputy Director, Mr. Ray McDonagh has advised you that the WCO would be interested in participating in such a pilot.

I am currently in the process of completing a work planning exercise, and would appreciate being advised of the status of this project so that it may be included in work plans if necessary.

Thank you for your co-operation.

Robert A Struthers
Technical Officer
Procedures and Facilitation Sub-Directorate
World Customs Organization
Rue du Marché 30, 1210 Brussels, Belgium
Questions ?
Land Bridge challenges
(influences competitive situation (price, time etc)

- Service and market orientation
- Culture, language, politics, etc.
- Security & quality
- Logistical chain and organization
- Discontinuous Points (borders +)
- Price & transit time
- To many players involved
- Information, tracing etc
- Sub-opt. National and regional “monopolies”
- Market perception, image etc
- Transparency
- Congestion
- “Sub modules” I-XI

Commitment & persistence
OPTIONAL TRIAL ROUTES (through Narvik)
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<tr>
<th>Destination</th>
<th>USD per TeU</th>
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<tr>
<td>Lianyou. (Via Lokot)</td>
<td>788</td>
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<tr>
<td>Beijing (Via Zabai)</td>
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<tr>
<td>Urumchi (Via Petrp.)</td>
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<td>Urumchi (Via Lokot)</td>
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<td>Zabalkal.</td>
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N.E.W. Corridor vs. Alternatives:
North American East Coast – Central Asia

Alternatives except TSR via Baltic Ports

1. Pacific/Panama/Land Transport
2. Black Sea (Bosporus)/Land Transport
3. Suez/Land Transport
4. US Land Bridge/Pacific
5. Trans Atlantic/Continent/Land Transport
6. Baltic ports (St.Petersburg)/Land transport

Involving Pacific sailings
N.E.W. Corridor vs. Alternatives:
North American East Coast – Central Asia

Alternative via TSR and Baltic Ports/Continental ports